

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: September 20, 2006

Division: Employee Services

Bulk Item: Yes X No

Department: Employee Benefits Office

Staff Contact Person: Maria Z. Fernandez-Gonzalez

AGENDA ITEM WORDING: Approval to renew with The Hartford Life Insurance for our Group Life and Accidental Death & Dismemberment policy October 1, 2006 through September 30, 2007.

ITEM BACKGROUND: Hartford Life Insurance policy originally secured in FY 2000.

PREVIOUS RELEVANT BOCC ACTION: January 16, 2002 MCBOCC granted approval of recommendations regarding the proposals received for Group Life Insurance (The Hartford Life Insurance) from the RFP distributed July 13, 2001. BOCC approved renewal

CONTRACT/AGREEMENT CHANGES: Term only. No increase from FY 05/06 – rate was guaranteed for two years.

STAFF RECOMMENDATIONS: Approval.

TOTAL COST: \$161,200.00

BUDGETED: Yes X No

COST TO COUNTY: \$161,200.00

SOURCE OF FUNDS: Primarily Ad Valorem

REVENUE PRODUCING: Yes No X **AMOUNT PER MONTH** **Year**

APPROVED BY: County Atty *me* X OMB/Purchasing X Risk Management X

DOCUMENTATION: Included X To Follow Not Required

DISPOSITION:

AGENDA ITEM #

MONROE COUNTY BOARD OF COUNTY COMMISSIONERS

CONTRACT SUMMARY

Contract #

Contract with: The Hartford Life Insurance Effective Date: October 1, 2006

Expiration Date: September 30, 2007

Contract Purpose/Description: Approval to renew current Group Life and Accidental Death & Dismemberment policy from October 1, 2006 through September 30, 2007.

Contract Manager: Maria Z. Fernandez
(Name)

4448
(Ext.)

Employee Services Division
(Department)

for BOCC meeting on September 20, 2006 Agenda Deadline: September 5, 2006

CONTRACT COSTS

Total Dollar Value of Contract: \$161,200.00 Current Year Portion: \$ _____

Budgeted? Yes ☒ No ☐ Account Codes: 502-08002-530450- _____

Grant: \$ _____

County Match: \$ _____

ADDITIONAL COSTS

Estimated Ongoing Costs: \$ _____/yr For: _____
(Not included in dollar value above) (eg. maintenance, utilities, janitorial, salaries, etc.)

CONTRACT REVIEW

	Date In	Changes Needed	Reviewer	Date Out
Division Director	<u>9-1-06</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>JD Aguiar</u>	<u>9-1-06</u>
Risk Management	<u>9-5-06</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>JD Aguiar / Mr. Bank</u>	<u>9-5-06</u>
O.M.B./Purchasing	_____	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>[Signature]</u>	<u>9/5/06</u>
County Attorney	<u>9-5-06</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>Stephen W. Casul</u>	<u>9-5-06</u>

Comments: _____



BOARD OF COUNTY COMMISSIONERS

MAYOR Charles "Sonny" McCoy, District 3
Mayor Pro-tem Dixie M. Spehar, District 1
George Neugent, District 2
Mario DiGennaro, District 4
George Patton, District 5

Employee Services Division

Benefits Office

1100 Simonton Street, Suite 2-268

Key West, Florida 33040

Phone (305) 292-4448

Facsimile (305) 292-4452



MEMORANDUM

To: Monroe County Board of Commissioners

Thru: Teresa E. Aguiar, Division Director, Employee Services

From: Maria Z. Fernandez-Gonzalez, Sr. Administrator, Benefits

Date: September 1, 2006

Re: Renewal of Group Life and Accidental Death & Dismemberment Policy

A handwritten signature in black ink, likely belonging to Maria Z. Fernandez-Gonzalez, Sr. Administrator, Benefits.

Approval is being requested to renew with The Hartford Life Insurance for our Group Life and Accidental Death & Dismemberment Policy effective October 1, 2006 through September 30, 2007.

The Hartford Life policy was originally secured in 2000. Proposal received from The Hartford Life Insurance in response to an RFP in July of 2001 was accepted and the policy has been approved yearly by the Board.

Last year we had our premium increase for the first time in seven (7) years, increasing the basic life premium from \$.39 to \$.44 per \$1000 of volume, no increase in the AD&D premium. This rate was guaranteed through September 30, 2007.



Hartford Life

May 26, 2005

Rick Capizzi/Mary Kay Lantz
Gallagher Benefit Services, Inc.
2255 Glades Road, Suite 400E
Boca Raton, FL 33431

Subject: Monroe County Board of County Commissioners, Policy #303613

Underwriting has completed the evaluation for the above named account for the upcoming October 1, 2005 renewal. We currently underwrite their Basic Life/AD&D coverages. Outlined below are the benefit highlights, the financial results to date and renewal decisions.

BASIC LIFE and AD&D

INFORCE BENEFIT HIGHLIGHTS – BASIC LIFE and AD&D

Eligibility / Class	Class 1: All active, full-time employees Class 2: Retirees
Funding Method	Fully Insured/Non-Par
Contributions	Non-Contributory
Benefit	\$20,000
Benefit Maximum	\$20,000
Guaranteed Issue Amount	\$20,000
Cutback Schedule	Class 1: 33% at 70, 50% at 75 Class 2: 50% at 70
Disability Provision	Standard prior to 60, Lifetime
Living Benefits Option	12 months
Commission Schedule	4% Commission

INFORCE RATE AND PLAN HISTORY – BASIC LIFE / AD&D

Date	Rate per \$1,000 Volume	Reason
10/1/1999	\$.39	Inception

FORMULA RATE CALCULATION – BASIC LIFE / AD&D

Time Periods	10/1/2000 – 5/1/2005
Paid Premium	\$647,729
Common Premium	\$647,729
Paid Claims	\$649,644
IBNR Reserves	\$25,118
Incurred Claims	\$674,762
Incurred Loss Ratio	104.2%
Desired Loss Ratio	82.3%
Inforce Rate	\$.39
Experience Rate	\$.499
Credibility	66%
Formula Rate	\$.487

RISK / EXPERIENCE ANALYSIS – BASIC LIFE / AD&D

The Life Experience is running above desired. 2000 was the only full year in our experience that has run below desired. Although, the formula rate is calling for a 25% rate increase, Underwriting has agreed to a 13% increase at this renewal, and is willing to offer this rate for 2 years.

PROPOSED RATES – BASIC LIFE / AD&D

Quoted Rate per \$1000 of Volume	\$.44
Annual Premium	\$155,063.04
Rate Guarantee	2 Years
AD&D Quoted Rate per \$1000 of Volume	\$.02
AD&D Annual Premium	\$6,066.72

We value our relationship with both Monroe County Board of County Commissioners and Gallagher Benefit Services and look forward to our continued efforts in providing Monroe County with a strong benefit plan for their employees.

Please let us know if you have any questions regarding any of this information.

Sincerely,

Mary Molloy

Mary Molloy
Account Manager